



First Quarter 2022 Earnings Presentation

BUILT TO **CONNECT**

May 4, 2022



Safe Harbor



Certain statements contained in this presentation contain forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income, earnings, cash flows, changes in operations, operating improvements, businesses in which we operate and the United States and global economies. Statements in the presentation that are not historical are hereby identified as “forward-looking statements” and may be indicated by words or phrases such as “anticipates”, “supports”, “plans”, “projects”, “goals”, “expects”, “believes”, “should”, “would”, “could”, “hope”, “forecast”, “management is of the opinion”, use of the future tense and similar words or phrases. These forward-looking statements are based largely on management’s expectations, which are subject to a number of known and unknown risks, uncertainties and other factors discussed and described in our most recent Annual Report on Form 10-K, including those risks described in Part I, Item 1A. Risk Factors thereof, and in other reports filed subsequently by us with the Securities and Exchange Commission, which may cause actual results, financial or otherwise, to be materially different from those anticipated, expressed or implied by the forward-looking statements. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements to reflect future events or circumstances, except as required by law.

Non-GAAP Measures

In an effort to provide investors with additional information regarding the Company’s results, the Company refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures which management believes provide useful information to investors. These non-GAAP measures have no standardized meaning prescribed by U.S. GAAP and therefore are unlikely to be comparable to the calculation of similar measures for other companies. Management of the Company does not intend these items to be considered in isolation or as a substitute for the related GAAP measures. Nonetheless, this non-GAAP information can be useful in understanding the Company’s operating results and the performance of its core business. Management of the Company uses both GAAP and non-GAAP financial measures to establish internal budgets and targets and to evaluate the Company’s financial performance against such budgets and targets. A reconciliation of these non-GAAP measures to the most directly comparable GAAP measure is included in the appendix.

First Quarter 2022 Highlights



Barry Ruffalo

President & Chief Executive Officer



TODAYS Key Messages



1

Strong market demand as customer sentiment remains positive; record backlog positions us for continued growth in 2022

2

Q1'22 solid quarter; performance impacted primarily by industry-wide supply chain and logistics inflation and constraints and pandemic related labor restrictions in January

3

We support and comply with the U.S. sanctions against the Russian government for the conflict regarding Ukraine; our exposure to Russia is financially immaterial to our business

4

Remain well-positioned to execute and grow with a strong balance sheet and continued focus on operational excellence

5

MINDS acquisition and addition of Chief Technology Officer are key enhancements to the ASTEC technology platform in April 2022

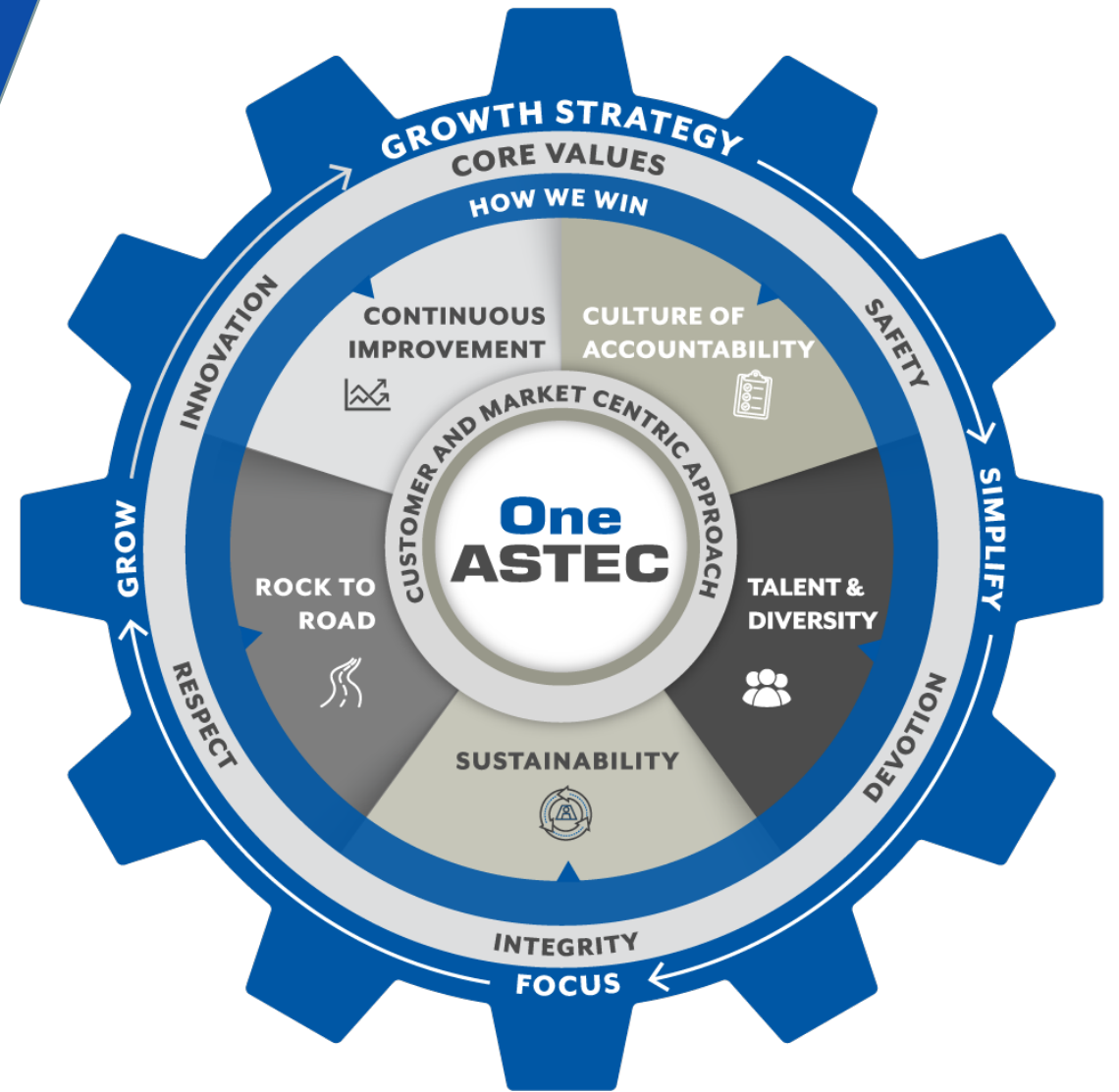
6

Continue to position our business for future, profitable growth and drive long-term stakeholder value by executing our Simplify, Focus and Grow strategy, while addressing near-term macro-driven headwinds

Operating As OneASTEC

- Customers at the center of everything we do
- Focusing on the Rock-to-Road Value Chain
- Hiring and training new employees to meet continued strong demand
- Leveraging footprint to reduce lead times, optimize revenue and manage costs
- Mitigating supply and logistic disruptions by
 - Driving efficiencies in Operational Excellence
 - Identifying and validating multiple supply sources for critical components

BUILT TO CONNECT



OneAstec business model enabling us to address industry headwinds

The ROCK to ROAD PORTFOLIO

Materials Solutions

CRUSHING & SCREENING
FOR RAW MATERIALS



Infrastructure Solutions

ASPHALT & CONCRETE
PROCESSING
INDUSTRIAL HEATING
CONSTRUCTION MACHINERY



Business Dynamics and Observations



| Industry Trend | Astec Response / Impact |
|--|--|
| Strong demand continues with positive customer sentiment in 2022 | <ul style="list-style-type: none">✓ Sixth consecutive quarter of record backlog✓ Conversations with customers indicate positive demand trends likely to continue✓ Initiatives in place to expand capacity and throughput |
| Federal Highway Bill a long-term tailwind | <ul style="list-style-type: none">✓ Added benefit as we see significant optimism for future demand for our products even without funding |
| Labor shortages continuing across industry | <ul style="list-style-type: none">✓ Continued success with hiring initiatives; increased headcount by 11% YoY |
| Supply chain and logistics disruptions | <ul style="list-style-type: none">✓ Manufacturing challenges due to supply chain and logistics disruptions✓ Mitigating impact through operational excellence initiatives |
| Commodity and logistics inflation expected to continue across the industry through 2022 | <ul style="list-style-type: none">✓ Focused pricing efforts to offset inflation; leveraging pricing power in the market to pass through higher costs |

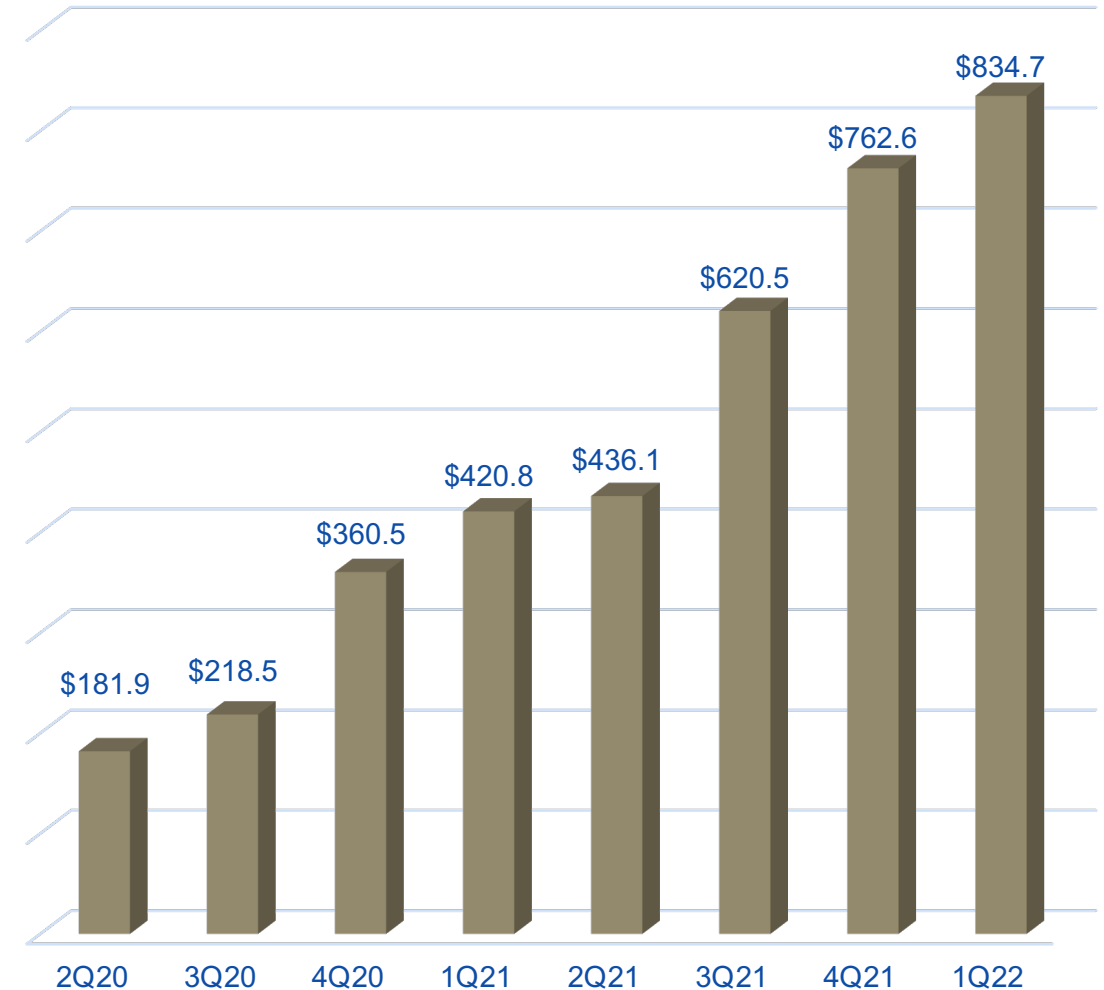
Positioning our business for future growth, while addressing near-term headwinds

Significant Backlog Growth Over Time

- Initiatives in place to increase capacity to meet higher demand
 - Increasing headcount in manufacturing facilities
 - Increased Project Management (Manufacturing Engineers)
 - Capital Expenditures for facility expansion and automation
 - Cross site manufacturing

BUILT TO CONNECT

Backlog (\$M)



Continued strong demand resulted in 6th consecutive quarter of record backlog

Total Company and Segment Financial Results



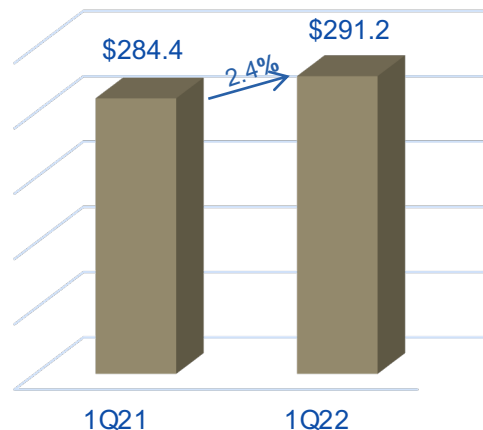
Becky Weyenberg
Chief Financial Officer



1Q22 Financial Results (\$M, except per share data)

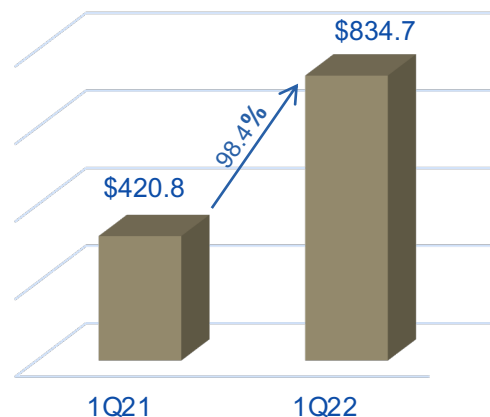


NET SALES



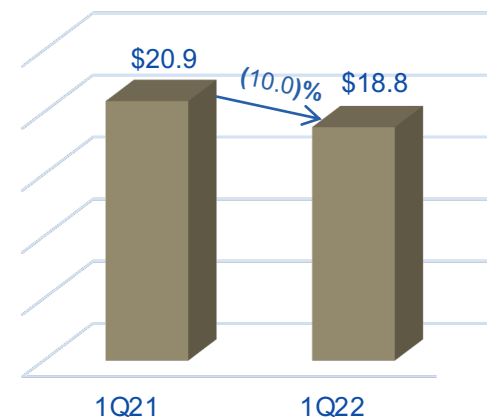
- Equipment sales decreased \$3.0M or 1.7%
- Parts sales increased \$8.8M or 9.7%
- Domestic sales increased \$8.9M or 3.9%
- International sales decreased \$2.1M or 3.6%

BACKLOG



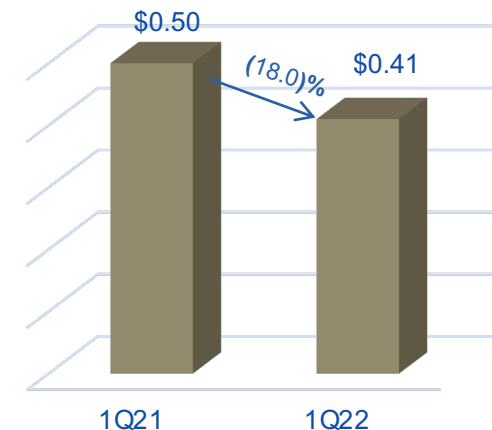
- Materials Solutions backlog increased \$150.8M or 90.7%
- Infrastructure Solutions backlog increased \$263.1M or 103.3%
- Domestic backlog increased \$384.1M or 119.0%
- International backlog increased \$29.8M or 30.4%

ADJ. EBITDA¹



- Adjusted EBITDA decrease driven by cost inflation in excess of volume/price/mix
- Adj. SG&A decreased 3.5% or \$1.7M driven primarily by lower health care costs and favorable deferred comp expenses partially offset by exhibit, promotional and travel expenses

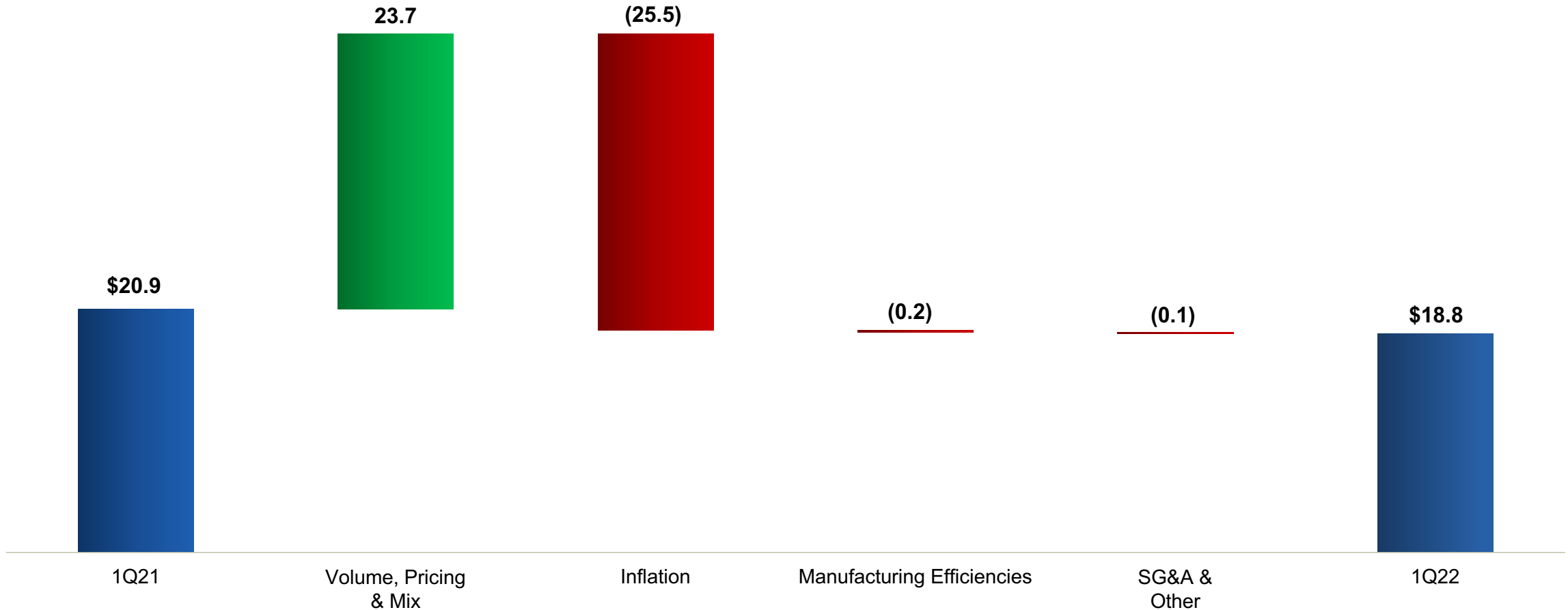
ADJ. EPS¹



- \$5.3M, or \$0.23, of transformation and other costs in 1Q22
- Transformation program: \$5.3M
- Facility closures: \$1.0M
- Transaction expense \$0.6M
- Income taxes: \$(1.6)M
- 1Q22 Net effective tax rate adjusted for the quarter was 21.0%

¹See Appendix for the reconciliation of GAAP to Non-GAAP measures.

1Q22 Adjusted EBITDA Bridge

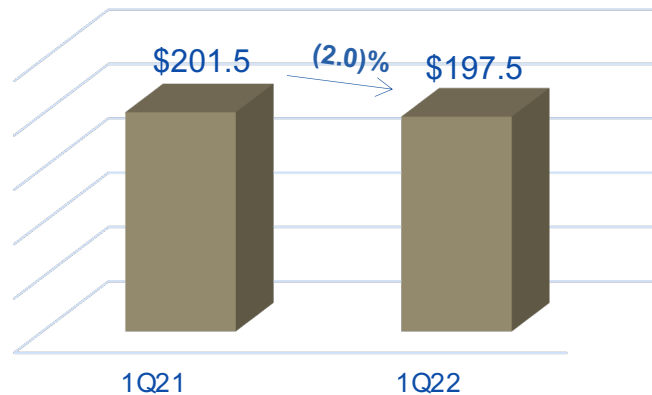


Infrastructure Solutions

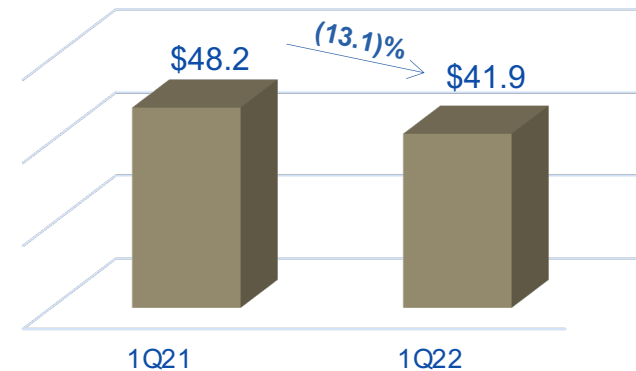
1Q22 Financial Performance (\$M)



NET SALES



GROSS PROFIT



1Q PERFORMANCE DRIVERS

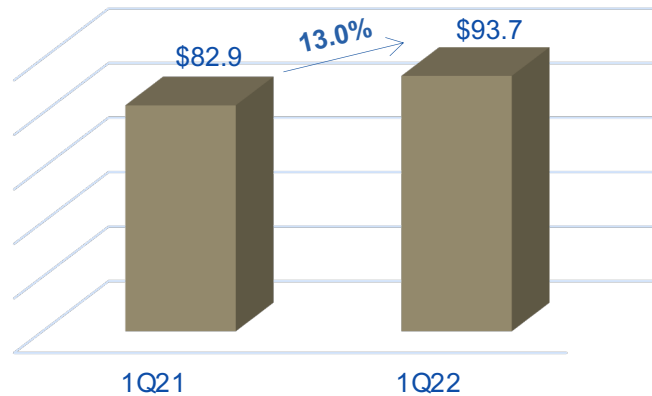
- Infrastructure sales decreased mainly due to net volume, pricing and mix
- Domestic sales grew 1.0%, while International sales fell 15.6%
- Equipment sales fell 7.2% and Parts sales grew 5.7%
- Backlog at the end of the quarter increased \$263.1M or 103.3%
- Gross Profit lower than prior year driven by higher inflation net of volume/ price/mix & manufacturing inefficiencies early in the quarter

Materials Solutions

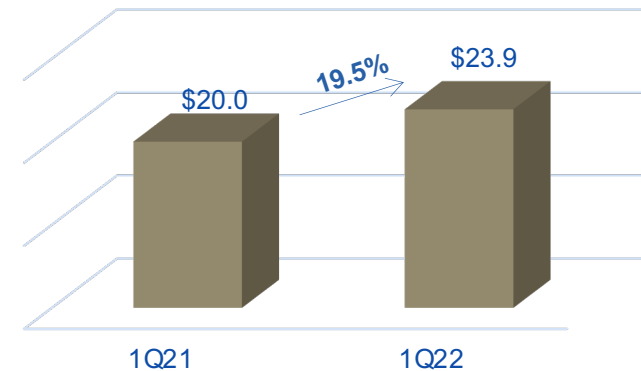
1Q22 Financial Performance (\$M)



NET SALES



GROSS PROFIT



1Q PERFORMANCE DRIVERS

- Strong top-line growth driven by price realization and increased demand across product lines
- Domestic sales grew 11.9% and International sales grew 16.1%
- Equipment sales grew 10.4% and Parts sales grew 20.1%
- Backlog at the end of the quarter increased \$150.8M or 90.7%
- Gross Profit improved on higher volume/pricing/mix and manufacturing efficiencies, partially offset by higher inflation

Maintain Strong, Flexible Balance Sheet with Ample Liquidity



SUMMARY BALANCE SHEET

| (\$M) | 3/31/22 |
|------------------------------|---------|
| Cash and Cash Equivalents | 111.4 |
| Total Current Assets | 675.7 |
| Total Assets | 943.4 |
| Total Current Liabilities | 256.5 |
| Total Debt | 5.3 |
| Total Liabilities and Equity | 943.4 |

| (\$M) | 3/31/22 |
|---------------------------|---------|
| Cash and Cash Equivalents | 111.4 |
| Available Credit | 147.5 |
| Total Available Liquidity | 258.9 |

COMMENTARY

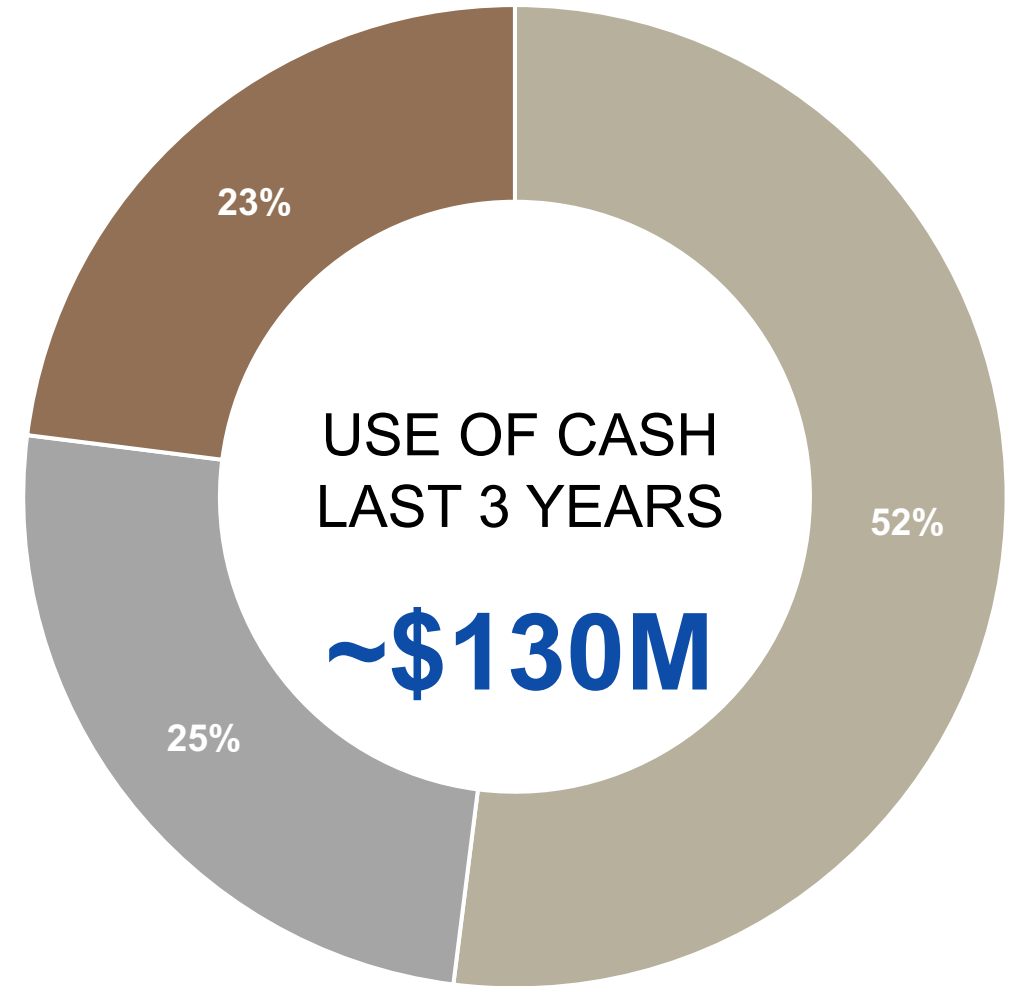
- Operating activities were a \$9.6M use of cash Q1 2022
- Cash decreased 17% and liquidity decreased 8%, respectively, compared to 12/31/21

Remain disciplined with a long-term net debt to EBITDA range of 1.5x to 2.5x

Disciplined Capital Deployment Framework

| | |
|-----------------------------|---|
| Plant, Property & Equipment | <ul style="list-style-type: none">Internal investments meeting return objectives of >14% ROIC |
| Acquisitions | <ul style="list-style-type: none">Future acquisitions to align with growth strategy and meet financial criteria |
| Returns to Shareholders | <ul style="list-style-type: none">Dividend of \$0.12 per share in Q1 2022\$126M remaining in authorized share repurchase program |

BUILT TO CONNECT



■ Plant, Property & Equipment ■ Acquisitions ■ Dividends

Continually evaluate strategy to ensure a balanced approach

Continuing to Pursue Key Organic Growth Opportunities



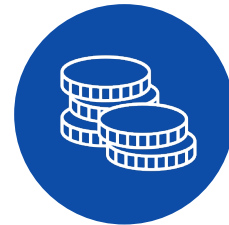
International /
Global Growth



Growth in Parts
and Service



Dealer
Expansion



Cross-selling
Opportunities
(i.e., asphalt and concrete products)



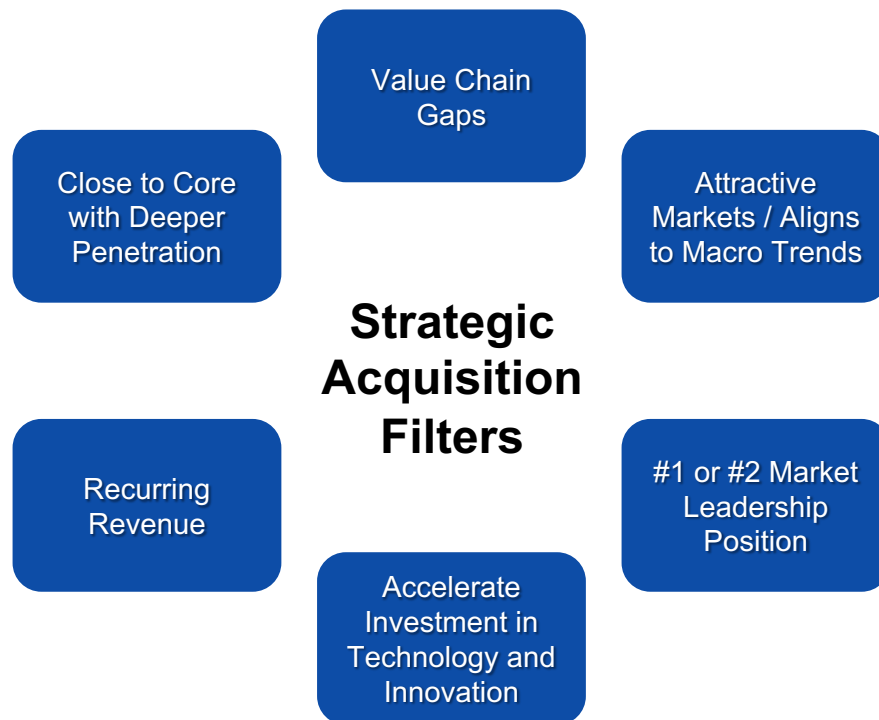
Strategic
Accounts



New Product
Development

Organic growth initiatives gaining traction

Strategic M&A Approach To Our Growth Strategy



Financial Criteria



EPS Accretion
in First Full Year



Meet or Exceed
Long-term Financial Metrics

ASTECC DIGITAL

Simplify solutions for asphalt, concrete and aggregate controls

Enhance customer experience

Provide technology solutions to the Industry



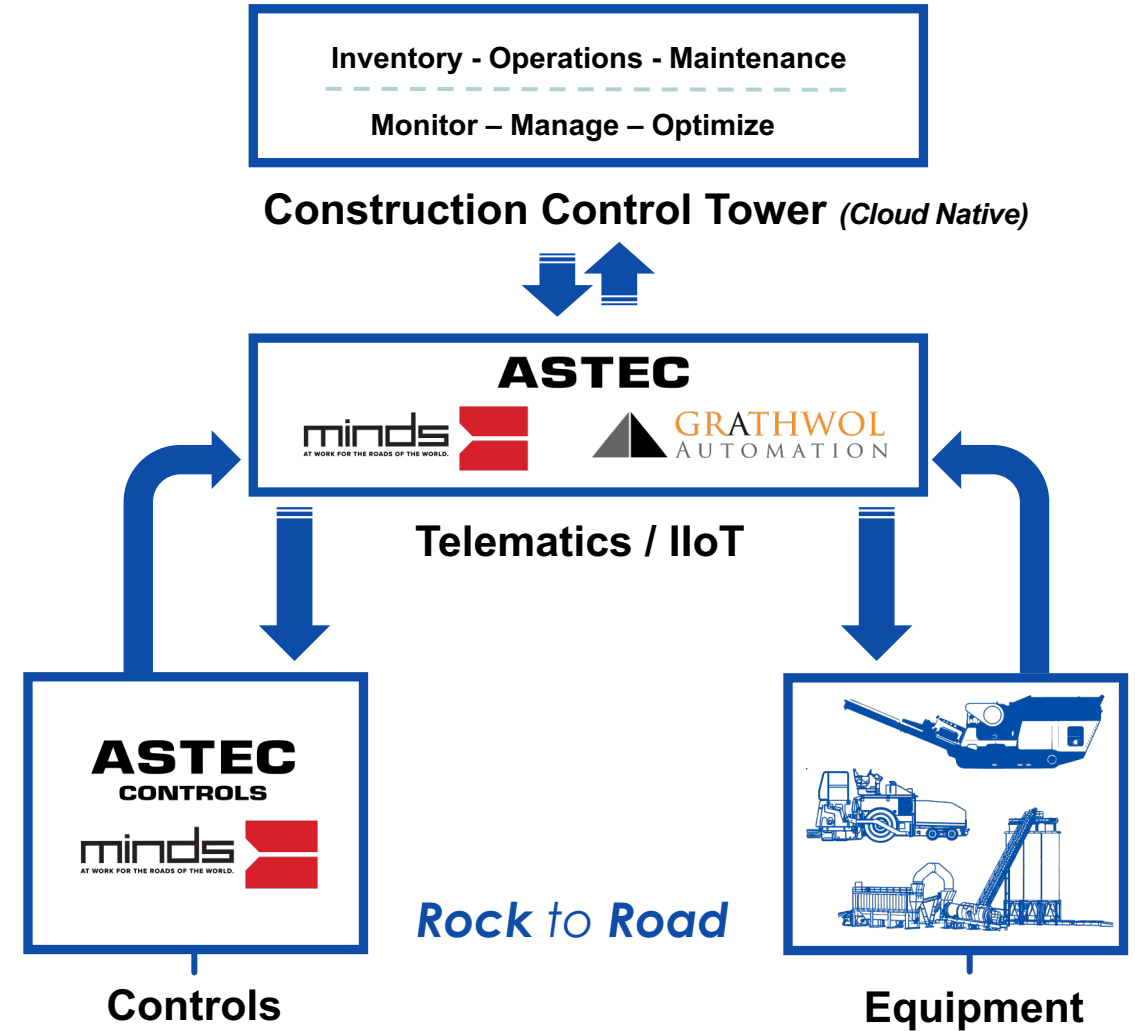
Astec is a market leader with significant customer reach to deploy technology with scale



As an OEM Astec brings intimate knowledge of equipment to marry up with technology to create an integrated system



Technology builds connected relationships with customers/dealers, elevating parts and service revenue



Progress on ESG Journey to Create Stakeholder Value

Key Focus Areas for 2022



Invest in Resources to Accelerate Environmental Initiatives

- Establish KPI tracking and assessments (GHG, utilities, etc.)
- Perform life cycle assessments on major product categories
- Create ESG digital footprint review and management process
- Finalize sustainable operations guidelines playbook
- Continue to reduce carbon footprint



Continue to Advance Social Initiatives

- Maintain focus on employee safety and welfare
- Support diversity, equity and inclusion internally and in our communities
- Contribute to charitable organizations
- Enhance employee engagement



Maintain Sound Governance Practices

- Board oversight
- Cybersecurity
- Audit discipline

Investment Highlights



- 1** Leadership positions within attractive niche markets in industries benefitting from long-term secular trends including population growth, urbanization and aging infrastructure
- 2** Industry-leading reputation for innovation, high-quality products and superior customer service
- 3** Recurring, high-margin aftermarket revenue driven by a large global installed base
- 4** Strong balance sheet and liquidity with net cash position to execute through challenging market conditions; our products are essential for building infrastructure
- 5** Strategic evolution with Simplify, Focus and Grow pillars; cost savings initiatives underway and new organizational structure to drive profitable growth



Questions and Answers



Appendix

CORE VALUES



DEVOTION



INTEGRITY



RESPECT



INNOVATION



SAFETY

Our Profitable Growth Strategy



SIMPLIFY

Leverage Actions Taken to Further Simplify the Business

- Leverage global footprint and scale while maintaining strong customer relationships
- Reduce organizational structure complexity
- Consolidate and rationalize footprint and product portfolio
- Optimize supply chain by leveraging size and scale of business



FOCUS

Utilize OneASTEC Business Model to Enhance Efficiency across the Organization

- Strengthen customer-centric approach by providing a holistic set of solutions
- Drive commercial excellence
- Embrace and streamline operational excellence processes
- Enhance accountability through a performance-based culture with aligned KPIs and incentives



GROW

Drive Growth through Organic and Inorganic Opportunities (Rock to Road Continuum)

- Reinvigorate innovation with a new product development approach
- Leverage technology and digital connectivity to enhance customer experience
- Capitalize on global growth opportunities

Long-Term Goals



The OneAstec business model to fuel strong future operational and financial performance



Create Value for Shareholders

Alignment to Incentive Plan

Stand Through Cycles

¹ Calculated by dividing LTM Adjusted Free Cash Flow by Adjusted Net Income²⁵

1Q 2022 GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

| 1Q 2022 GAAP to Non-GAAP Reconciliation Table | | | | | |
|--|-----------------------|--|---------------------------|----------------------|---------------------------|
| | As Reported (GAAP) | Restructuring, Impairment, and Other Charges, Net | Transformation Program | Transaction Costs | As Adjusted (Non-GAAP) |
| Consolidated | | | | | |
| Net sales | \$ 291.2 | \$ — | \$ — | \$ — | \$ 291.2 |
| Gross profit | 66.1 | — | — | — | 66.1 |
| Gross profit % | 22.7% | | | | 22.7% |
| Selling, general and administrative expenses | 52.7 | — | (5.3) | (0.6) | 46.8 |
| Operating income | 5.4 | 1.0 | 5.3 | 0.6 | 12.3 |
| Income taxes | 0.9 | 0.2 | 1.3 | 0.1 | 2.5 |
| Net income attributable to controlling interest | 4.1 | 0.8 | 4.0 | 0.5 | 9.4 |
| Diluted EPS | 0.18 | 0.03 | 0.17 | 0.03 | 0.41 |
| Infrastructure Solutions | | | | | |
| Net sales | 197.5 | — | — | — | 197.5 |
| Gross profit | 41.9 | — | — | — | 41.9 |
| Gross profit % | 21.2% | | | | 21.2% |
| Materials Solutions | | | | | |
| Net sales | 93.7 | — | — | — | 93.7 |
| Gross profit | 23.9 | — | — | — | 23.9 |
| Gross profit % | 25.5% | | | | 25.5% |



BUILT TO CONNECT

1Q 2021 GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

| 1Q 2021 ^(a) GAAP to Non-GAAP Reconciliation Table | | | | |
|--|--------------------|---|---------------------------|----------------------------|
| | As Reported (GAAP) | Restructuring, Impairment, and Other Charges, Net | Transformation Program | As Adjusted (Non- GAAP) |
| Consolidated | | | | |
| Net sales | \$ 284.4 | \$ — | \$ — | \$ 284.4 |
| Gross profit | 68.2 | — | — | 68.2 |
| Gross profit % | 24.0% | | | 24.0% |
| Selling, general and administrative expenses | 51.7 | — | (3.2) | 48.5 |
| Operating income | 9.5 | 0.7 | 3.2 | 13.4 |
| Income taxes | 0.8 | 0.1 | 0.8 | 1.7 |
| Net income attributable to controlling interest | 8.5 | 0.6 | 2.4 | 11.5 |
| Diluted EPS | 0.37 | 0.03 | 0.10 | 0.50 |
| Infrastructure Solutions | | | | |
| Net sales | 201.5 | — | — | 201.5 |
| Gross profit | 48.2 | — | — | 48.2 |
| Gross profit % | 23.9% | | | 23.9% |
| Materials Solutions | | | | |
| Net sales | 82.9 | — | — | 82.9 |
| Gross profit | 20.0 | — | — | 20.0 |
| Gross profit % | 24.1% | | | 24.1% |

^(a) Certain prior period amounts have been revised to correct an immaterial error related to the overstatement of work-in-process inventory, which thereby understated "Cost of sales" by \$0.3 million.



BUILT TO CONNECT

GAAP vs Non-GAAP Adjusted EPS Reconciliations

(in millions, except per share amounts; unaudited)

| | Three Months Ended March 31, | |
|--|------------------------------|---------------------|
| | 2022 | 2021 ^(a) |
| Net income attributable to controlling interest | \$ 4.1 | \$ 8.5 |
| Adjustments: | | |
| Transformation program | 5.3 | 3.2 |
| Facility closures and reduction in force | 1.0 | 0.8 |
| Gain on sale of property, equipment and business, net | — | (0.1) |
| Transaction costs | 0.6 | — |
| Income taxes | (1.6) | (0.9) |
| Adjusted net income attributable to controlling interest | \$ 9.4 | \$ 11.5 |
| Diluted EPS | \$ 0.18 | \$ 0.37 |
| Adjustments: | | |
| Transformation program | 0.23 | 0.14 |
| Facility closures and reduction in force | 0.04 | 0.03 |
| Transaction costs | 0.03 | — |
| Income taxes | (0.07) | (0.04) |
| Adjusted EPS | \$ 0.41 | \$ 0.50 |

^(a) Certain prior period amounts have been revised to correct an immaterial error related to the overstatement of work-in-process inventory, which thereby understated "Cost of sales" by \$0.3 million.



BUILT TO CONNECT

EBITDA and Adjusted EBITDA Reconciliations

(in millions, except per share amounts; unaudited)

| | Three Months Ended March 31, | |
|---|------------------------------|---------------------|
| | 2022 | 2021 ^(a) |
| Net sales | \$ 291.2 | \$ 284.4 |
| Net income attributable to controlling interest | \$ 4.1 | \$ 8.5 |
| Interest expense (income), net | 0.2 | 0.1 |
| Depreciation and amortization | 6.7 | 7.6 |
| Income tax provision | 0.9 | 0.8 |
| EBITDA | <u>11.9</u> | <u>17.0</u> |
| EBITDA margin | <u>4.1 %</u> | <u>6.0 %</u> |
| Adjustments: | | |
| Transformation program | 5.3 | 3.2 |
| Facility closures and reduction in force | 1.0 | 0.8 |
| Gain on sale of property, equipment and business, net | — | (0.1) |
| Transaction costs | 0.6 | — |
| Adjusted EBITDA | <u>\$ 18.8</u> | <u>\$ 20.9</u> |
| Adjusted EBITDA margin | <u>6.5 %</u> | <u>7.3 %</u> |

^(a) Certain prior period amounts have been revised to correct an immaterial error related to the overstatement of work-in-process inventory, which thereby understated "Cost of sales" by \$0.3 million.



BUILT TO CONNECT



CORPORATE OFFICE

1725 Shepherd Road
Chattanooga, TN 37421
+1 (423) 899 - 5898



Visit Our Website

CONTACT INFORMATION



Steve Anderson

SVP of Administration & Investor Relations

Phone: 423-553-5934

Email: sanderson@astecindustries.com

